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SUBJECT: SEYCHELLES PRESIDENT VISITS CUBA, DISCUSSES

ECONOMIC REFORM

Classified By: CHARGE D'AFFAIRES BARRIE WALKLEY FOR REASONS 1.4 (b) AND (d)

- 11. (C) SUMMARY: Seychelles President James Michel visited Cuba November 29-30 to discuss additional Cuban medical assistance. At the request of the Cubans, Michel provided a briefing on ways his country has pursued economic reform. Michel believes that Raul Castro recognizes that economic change is necessary if Cuba is to survive in a globalized world. It is not a matter of "if"; it is a matter of "when." Political reform was not discussed. Michel did not meet Fidel Castro during the visit. Although he has no delusions regarding his own importance, Michel offers to pass to Cuba any messages the US might find it useful to have delivered. END SUMMARY
- 12. (C) James Michel, President of the Seychelles, paid an official visit to Cuba November 29-30 and arrived back in the Seychelles December 02. Two hours after his early morning arrival, President Michel met the Charge and offered a read-out of the Cuba trip. Michel said that one focus of the trip was to strengthen the long-time health and medical relationship his country has enjoyed with Cuba (there are currently 21 Cuban physicians in the Seychelles and 22 Seychellois in Cuba on scholarship). Of particular interest is Cuban research into leptospirosis and treatment of diabetes. Another interest is securing Cuban assistance in staffing a teaching hospital in the Seychelles.
- 13. (C) The second focus of the trip was a request by the Cubans for a briefing on the methods the Seychelles pursued in transforming itself from a dedicated socialist state to a free-market economy. Michel said he had open and candid talks with Raul Castro on this issue, prompted by Castro's recognition that Cuba cannot continue its massive state spending and subsidy policies. Michel's assessment is that Cuba sincerely wants economic change, accepting that change must come if the country is to survive in a globalized world. It is not a matter of "if"; it is now a matter of "when." Michel advised the Cubans to move quickly and decisively once a decision is made, and not to pursue gradual or incremental reform. Michel said there was no discussion of political reform, although he believes Cuban economic reform "is perhaps a way forward in regard to freedom."
- 14. (C) Michel did not meet Fidel Castro during the stay (he says he did not expect to, as it was a "government-to-government, rather than a "party-to-party," visit). Michel said that everyone knows Fidel gave long speeches but that he had hoped it was not a family trait. He was disappointed to discover that Raul also "loves to talk forever."
- 15. (C) Although making it clear that he recognizes the US obviously has many ways of approaching Cuba, Michel nonetheless offered to pass any messages or suggest any gestures to Cuba that the US might find useful.

16. (C) COMMENT: The Charge's meeting with President Michel was not scheduled specifically to discuss the Cuba trip (other matters covered septel). Over the past two years, the Seychelles has experienced wide-ranging economic reforms as part of an IMF program and has generally performed well. In a focused and deliberate fashion, President Michel has used economic reform to advance political and democratic change, including multilateral cooperation. Michel's candor with the Charge regarding his trip to Cuba and his offer to act as an interlocutor appear genuine. Michel and the Seychelles generally could prove solid partners in engaging Cuba on reform issues. The Seychelles comes to these discussions with Cuba as an island state with legitimate experience and a proven track record in moving from a controlled to a free-market economy (probably the reason the Cubans requested the briefing from Michel). WALKLEY